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SUBJECT: HUMALA MOVEMENT LOSING STEAM IN AREQUIPA

REF: A. LIMA 2625

¶B. LIMA 2582

¶C. LIMA 2428

¶D. LIMA 1154

SUMMARY

11. Radical opposition leader and former presidential candidate Ollanta Humala carried the Arequipa region by a wide margin in Peru's 6/4 presidential race. Despite that, the prospects for pro-Humala candidates in upcoming regional and municipal elections are uncertain. Humala has lost credibility as splits have appeared in his movement. Furthermore, many young Arequipenos favor the Peru-U.S. Free Trade Agreement (FTA) as a way of boosting local tourism. Allegations of corruption have weakened the prospects for APRA party incumbents in both the Regional Presidency and the Mayor's Office of Arequipa. All this should be good news for Evangelical-based Restauracion Nacional (RN) party. However, RN's followers in Arequipa are deeply divided. Right now, the most likely outcome for November elections appears to be municipal and regional governments run by independent local actors. END SUMMARY.

- 12. Poloff visited Arequipa 6/28-7/4 to gauge how local residents view upcoming regional elections. Arequipa is Peru's second-largest metropolitan area and capital of a politically and economically important region in the country's south. It has a history of resentment toward Lima and has steadily shifted to the left becuase of significant migration from neighboring Puno. Former Peruvian Nationalist Party (PNP)/Unidad por el Peru (UPP) alliance presidential candidate Ollanta Humala handily defeated APRA President-elect Alan Garcia 64.6% to 35.4% in Arequipa, in the 6/4 presidential election.
- 13. Poloff met with a diverse range of local residents, including: Father Javier Len, Catholic priest, Director of the Arequipa Social Action Movement (MASA), a faith-based, pro-development NGO; Alonso Quintanilla, Rector of the Catholic University of San Pablo; Gabriele Cabieses, Director of the Institute of the South, a prominent vocational school educating Sector C and D youth; Marcio Soto, mayor of the township of Paucarpata and candidate for mayor of Arequipa in November 2006 regional elections; Jorge Losada, Arequipa city Councilman and APRA party leader; and Jaime Gutierrez, Evangelical Pastor of the Agua Viva (AV) Christian Community of Arequipa and local Restauracion Nacional (RN) party activist.

HUMALA'S POPULARITY WANING

- 14. Ollanta Humala remains popular in Arequipa, but his support has waned since the 6/4 run-off election (Ref D). Many Arequipenos now question Humala's competence, leadership, and organizational abilities since divisions in his UPP-PNP political alliance first appeared in mid-June. So far, three congressional representatives have left the UPP-PNP legislative bloc (Ref C). Furthermore, over the weekend of 7/8-7/9, spokespersons for both the UPP and the PNP indicated that each organization would run its own candidates in November regional elections.
- 15. Contacts in Arequipa said that voters had overwhelmingly chosen Humala on 6/4 not out of any fundamental loyalty, but instead had used him as a vehicle to protest against "politics as usual." Humala's actions since the election --splits in his movement and problems with his UPP partners --suggest to locals that Humala may, in fact, represent more of the same. Local interlocutors added that President-elect Garcia,s development plans for the south, if successful, would further undercut Humala,s support in the region.

MANY PRO-HUMALA AREQUIPENOS ARE PRO-FTA

- 16. Arequipa,s post-election political ambivalence was on display during Poloff,s visit, which coincided with a call for national protests by opponents of the recently approved Peru-U.S. Free Trade Agreement (FTA) (Ref B). Although Arequipa has been a bastion of anti-FTA activity, attendance at two anti-FTA protests was modest, with only 80 persons showing up in the central plaza for a protest on 6/28 (the same day that the Peruvian Congress approved the FTA) and 300 marching on 7/4.
- 17. Local interest in the FTA is based on Arequipa's growing tourism sector, which has provided jobs for increasing numbers of local youth. In conversation, young residents equated the FTA with increased tourism. Locals also explained the modest turnout for the protests as the result of poor UPP-PNP political leadership. A number of contacts alleged that UPP party members are often paid to protest.

HUMALA'S WEAKNESS PROVIDES NO ADVANTAGE FOR APRA

- 18. APRA currently controls both the Arequipa Regional Presidency as well as the city Mayor. However, both incumbents are unpopular, and local observers did not expect either to win continued support from APRA, much less re-election. Arequipa suffers from sub-standard public services, and infrastructure remains decrepit or non-existent in many areas -- particularly the poor slums surrounding the city-proper. APRA leader Jorge Losada predicted that his embattled party might not formally run candidates in local elections, but might instead throw its financial support behind independent local candidates who both agree with, and have the administrative capacity to help implement, Alan Garcia's national and regional development agendas.
- 19. With the political standing of both Humala and APRA weakened, there remain 35 different groups -- in addition to the well-established political parties -- that are poised to offer candidates for both regional and municipal posts in the November elections. Four candidates will likely compete for the departmental presidency, and, as of now, only one is associated with a known political party. Similarly, the three leading candidates for mayor all have local roots and are not associated with national parties (although there are rumors that one of these candidates may join Humala's PNP party ticket).

10. The weakened positions of both Humala and APRA at the local level should spell opportunity for RN, the Evangelical-led party that proved to be the surprise vote-getter in national presidential elections held 4/9. However, while RN appears strong and well organized in other poor departments (Ref A), the party's leadership in Arequipa is deeply divided. RN's presidential candidate, Humberto Lay, does not enjoy good relations with the local branches of the Agua Viva Church (AV), one of the best-organized Evangelical churches in Peru and a key logistical supporter of Lay's presidential campaign. Local AV Pastor Jaime Gutierrez told Poloff that Lay had appointed his own people to run RN's local headquarters and that they were not religious leaders who commanded respect within the church-going community. Consequently, Gutierrez was unable to predict RN's performance in the upcoming regional elections.

COMMENT:

111. It appears that Humala's vision of a "solid south" may fade as local political forces reassert themselves. There is no lack of political activism in Arequipa where, as in much of Peru, local caudillos, candidates, and mini-movements abound. These continued political divisions at the local level could make it difficult for President-elect Alan Garcia to find rliable partners for his development plans. In the south, the fragmentation factor may become Garcia's next big challenge. END COMMENT.